Defaulting companies in steel sector

2179. SHRI DEVI PRASAD SINGH: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that many private sector companies in steel industry have borrowed more than Rs. 40,000 crores from Financial Institutions/banks and are unable to repay the loans resulting in wastage of public money;

(b) if so, what are the details of these companies whose total lending of all Financial Institutions/Banks to steel industry are more than Rs. 5 Crores, company-wise; and

(c) what are Government's plans to ensure that the Financial Institutions/ Banks recover this money from defaulting companies in steel industry?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE): (a) to (c) The information is being collected and will be laid on the Table of the House to the extent available.

Single window appraisal mechanism

2180. SHRI R.R GOENKA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that a proposal has been formulated to set up a single window appraisal mechanism for large infrastructure projects costing over Rs. 250 crores;

(b) if so, the details of the proposed machinery and its present status;

(c) whether any common set of appraisal benchmarks have been evolved for large projects which might require financing from more than one lender institutions so as to avoid separate project appraisal and approval by each lending body and to cut short the time lag in the take off of the projects; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE): (a) and (b)The Finance Minister in his Budget Speech for the year 2002-2003 has

announced for setting up of an institutional mechanism to co-ordinate debt financing by Financial Institutions (FIs) and Banks for Infrastructure projects larger than Rs. 250 crores. Infrastructure Development Finance Company Ltd. (IDFC) would act as the coordinating institutions with primary responsibilities for different sectors being share with IDBI and IFCl.The details of the scheme are yet to be finalized.

(c) and (d) As per the information received from IDBI, institutions at present have a uniform approach towards financing projects within the norms relating to debt equity ratio, promoter's contribution, security structure, etc. FIs have also been adopting common appraisal in several large cases where the lead institutions co-ordinates the appraisal. In such cases as also in other jointly financed cases, the project related issues are generally resolved at the Officer Level Meeting of FIs/Banks.The FIs have also formed Inter Institutional Committees to discuss policy related issues in Power and Telecom sectors and to adopt a common approach on important issues related to financing in these sectors. These efforts cut short the delays in financing.

CVC norms regarding investment in insurance companies

2181. PROF. M. SANKARALINGAM: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) the details of the norms issued by the Central Vigilance Commission recently with regard to the investment and other activities of the insurance companies;

(b) what prompted the Commission to issue such norms;

(c) whether such issuance of norms has helped to restore credibility of the insurance companies;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE INTHE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE): (a) The Central Vigilance Commission has informed that they have not issued any such norms.

(b) to (e) Do not arise.